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Subcontracting jobs plentiful in '06 IT market

By Toni Maltagliati

Three major federal contracts will be worth billions of subcontracting dollars during 2006 for small firms with secure, compatible information technology and telecommunications products, according to an Oct. 27 report by government market analysis firm INPUT of Reston, Va.

The Justice, Homeland Security, Treasury and Veterans Affairs departments all will be seeking products ranging from computer hardware to remote detection devices, according to INPUT.

“Product technology companies who continue to innovate stand to reap the highest rewards,” said Darren Bezdek, INPUT’s manager of subcontract opportunities.

The three contracts, each with a life span of at least five years beginning in 2006, are:

- Integrated Wireless Network, a collaboration among Justice, Homeland Security and Treasury, for a nationwide wireless communications service to be used by more than 80,000 federal law enforcement employees.

The scope of this effort, while currently focused on voice and data communications, includes wireless transmission of information such as data, files, streaming video and images.

The contract is intended to potentially serve all federal law enforcement users, including inspectors general, with the need to transmit or communicate in a wireless environment. The indefinite-delivery, indefinite quantity contract has a ceiling up to \$10 billion. The contract covers all services, supplies and equipment necessary to perform the tasks to support the network infrastructure and operations, and those needed by employees to use the system.

- America’s Shield Initiative (ASI), recently folded into a wider Homeland Security Secure Border Initiative, which calls for a suite of remote detection devices. These include video cameras, sensors and newer surveillance tools to watch over 6,000 miles of U.S. land borders and 2,000 miles of coastline.

ASI aims to boost electronic surveillance capabilities along the country’s land borders by improving the sensor and video surveillance equipment deployed to guard against the entry of illegal aliens, terrorists, weapons of mass destruction and contraband, according to a Homeland Security statement. This contract has an estimated value of \$2 billion.

- Purchase of Computer Hardware and Software-3 is a Veterans Affairs contract vehicle for procuring hardware, software and related equipment. This is a follow on to PCHS-2, which expires in April 2007 but whose financial ceiling will be reached about a year before, according to INPUT. The new contract vehicle is estimated to have a value of up to \$6 billion, according to VA.

To get a piece of the subcontracting pie small business owners should be proactive, said Bezdek.

“Basically, being a small biz, I’m going to try to get in with my prime vendors before they bid,” Bezdek said. “Or talk to them after and say, ‘Hey this is what I have. Can we work together?’”

Often large vendors have subcontracting liaison offices that will meet with small business to talk about a product, he said.

General networking is also a good idea, such as at industry days where prime contractors are going to be present, Bezdek said.

VISTA nets four asset-management jobs

VISTA, a real property asset management firm, is going to be busy next year helping agencies meet requirements of the president’s management agenda.

The Herndon, Va., firm has received three new contracts for 2006 to better manage federal property, one area the president has ordered agencies to manage better. VISTA also has a contract extension for base realignment and closure work. The joint value of all four contracts is about \$500,000.

The asset-management contracts involve planning support with the Treasury, Commerce and Justice departments. The first two are new clients for VISTA.

The Defense Logistics Agency awarded VISTA an extension of BRAC support work that began in summer. This is a contract with option year extensions through 2009.

“These new tasks put VISTA in the unique position of having had some role with each agency that has submitted asset management plans to the General Services Administration and Office of Management and Budget,” said David Baxa, VISTA president and chief executive officer.

Agencies are required to submit asset management plans to comply with an executive order to develop a comprehensive inventory of their real property assets, their condition, uses, value to the agency’s mission, and maintenance costs.

Unitech retained to support FEMA training

Unitech will continue its Federal Emergency Management Agency work as a subcontractor for Dynamic Animations Systems Inc., under a \$3 million contract, Unitech announced.

Under the contract, the firms will continue to operate and maintain a simulation and training computer network at FEMA’s National Emergency Training Center, and the National Fire Academy in Emmitsburg, Md.

Unitech’s computer-based training product, Unitrex, is designed to teach emergency responders how to quickly handle changing mission requirements. The system has been used by the FBI National Academy, the Defense Threat Reduction Agency, the Coast Guard and the Air Force, according to Unitech.

Booz Allen wins IRS management work

Consulting firm Booz Allen Hamilton will provide information technology, management and security-related services to the Treasury Department under a five-year contract, the firm announced.

The Treasury Information Processing Support Service (TIPSS-3) will support the IRS, according to the firm. Booz Allen also worked on the TIPSS and TIPSS-2 contracts. Under TIPSS-3, Booz Allen will provide services in three functional areas: information systems services, strategic business services and system security services. Booz Allen was awarded prime contracts in all three areas.

NIAC selects teams for mission studies

The NASA Institute for Advanced Concepts (NIAC) has selected five teams for awards worth up to \$400,000 to further develop ideas for future space exploration missions. This year's selected concepts are for a space telescope that can observe weather patterns on distant Earth-like planets; miniature robots, or microbots, for planetary surface and subsurface exploration; laser trapped mirrors, where two laser beams form a thin layer of particles to serve as a mirror; an infrared observatory near a lunar pole; and a project to alter the biochemical structure of plants for Mars habitation. Created in 1998, the NIAC solicits innovative ideas from outside NASA that push the limits of science and technology and are not expected to be realized for a decade or more. Phase 1 awards are worth about \$75,000 over a six-month period. Phase 2 studies, like this year's five proposals that run from Sept. 1 to Aug. 31, 2007, last up to two years. The five teams are from North Carolina State University, Raleigh; University of Colorado, Boulder; Massachusetts Institute of Technology, Cambridge; Bryn Mawr College, Bryn Mawr, Pa.; and University of Arizona, Tucson.

November 2005

Space contractors concerned for market's future

By Toni Maltagliati

As NASA seeks to rebuild the engineering prowess it says it needs to return to the Moon, aerospace companies are waiting to see if the agency's increased reliance on its regional field centers will mean less work for industry.

J.P. Stevens, vice president for space systems at the Arlington, Va.-based Aerospace Industries Association, said its members, which include NASA contractors both large and small, are concerned the future may hold diminished NASA contracting opportunities as a result of flat budgets and NASA field centers undertaking work traditionally performed by industry.

"We support and understand NASA's initiative to rebuild core competencies by assigning more work to its field centers. Industry benefits when the government is a smarter buyer, so in that respect it is good for industry," Stevens said. "On the other hand, we are concerned it will delay or eliminate some work that traditionally has been given to industry."

NASA officials acknowledge the mix of contracting opportunities is changing as the agency sets out to implement President Bush's space exploration vision, but they maintain there will be plenty of work for NASA contractors.

"We've typically contracted out 85 cents on the dollar with 15 cents staying in-house, and that kind of mix isn't going to change," said NASA Associate Administrator Rex Geveden. "There's as much of a market as there has ever been if you look at the budget available for contractor work."

But Geveden acknowledged that the nature of the NASA market is changing, particularly on the human space flight mission, where the focus over the next five years will be on retiring the space shuttle and building its replacement.

"This is a different market now," Geveden said. "It's a developmental market. It's an R&D market."

While that development activity will be led by the NASA field centers, Geveden said there will be plenty of work for contractors.

In the year ahead, NASA intends to award a multibillion-dollar prime contract for design and development of the Crew Exploration Vehicle (CEV), a 5.5-meter capsule intended to ferry astronauts to the international space station starting in 2012 and to the Moon in 2018. Two industry teams are competing: one led by Lockheed Martin and the other led by Northrop Grumman and Boeing.

The CEV is just one element of Project Constellation, the name NASA has given to the space transportation system it intends to build to enable the 2018 return to the Moon.

Other elements include a solid rocket booster-based Crew Launch Vehicle, an Earth departure stage and a lunar lander.

NASA initially intended to put industry in charge of Project Constellation and other areas of the exploration program, but current NASA management decided that the agency itself will perform the role of lead systems integrator.

Geveden, noting that it has been a generation since NASA began developing its current space transportation system, the space shuttle, said having government personnel perform the lead systems engineering and integration role on Constellation is necessary to reestablish the institutional know-how to return to the Moon and lay the groundwork for expeditions to Mars and beyond.

NASA's Johnson Space Center in Houston has been designated the lead center for Constellation and the Crew Exploration Vehicle. Marshall Space Flight Center in Huntsville, Ala., is lead center for the Crew Launch Vehicle. Florida's Kennedy Space Center is in charge of launch operations. Goddard Space Flight Center in Greenbelt, Md., was selected to lead the communications and navigation effort.

Despite this arrangement, Geveden said there will be an abundance of design, development and integration opportunities for industry.

"Many, many more dollars will be flowing out of the gate than staying in," Geveden said. "Our contractors are critically important to us. They do 85 percent of our work. We have to rely upon them to get this vision implemented, and we will."

Aside from the CEV contract, NASA intends to spend \$500 million in the years ahead on a flight demonstration effort meant to yield commercial cargo and crew delivery services for the international space station, according to Scott Horowitz, NASA associate administrator for exploration systems.

Group to steer industry on government work

Market research firm INPUT has a new consulting group to advise companies on how to work with government agencies that are integrating systems and data as part of their homeland security and e-government initiatives.

The INPUT Consulting Group thus far has four executives from government and industry:

- Stephen Benowitz, former Office of Personnel Management associate director, oversaw the retirement and insurance benefits systems for 8.5 million current and former employees and dependents, personnel background investigations, and executive and management development.
- Carlos Solari, former chief information officer for the Executive Office of the President, executed initiatives to comply with the president's management agenda.
- William Carrier III was formerly vice president of business development and strategic planning for mergers and acquisitions, growth strategy and communications at Northrop Grumman Information Technology.
- Kenneth Johnson, former president of U.S. operations at CACI International Inc., managed the company's largest subsidiary unit with primary operations in the federal solutions marketplace.

Boeing team wins work on weather satellite

A Boeing-led team will do preliminary work on the National Oceanic and Atmospheric Administration's next-generation weather satellite.

Under a \$10 million study contract, the team will be responsible for defining NOAA's Geostationary Operational Environmental Satellite program, or GOES-R. For the R version, the team members will analyze NOAA's requirements and develop the satellite system, which will incorporate advanced sensors, ground-based data managers, communications and controls.

Team members include Harris Corp. of Melbourne, Fla.; Ball Aerospace and Technologies Corp. of Boulder, Colo.; Atmospheric and Environmental Research Inc. of Lexington, Mass.; and Carr Astronautics of Washington.

The 16-month, program definition and risk reduction contract has two eight-month options. If all options are exercised, the value of the contract would be \$30 million, according to Boeing Integrated Defense Systems, the St. Louis-based unit leading the team.

The GOES-R satellite is scheduled for launch in 2012.

National health network prototype jobs awarded

The Health and Human Services Department has awarded the last batch of contracts to complete a foundation for its health care information network.

The Nationwide Health Information Network (NHIN) aims to fulfill the president's goal of an electronic system to share and maintain patient records and follow them throughout their lives.

The NHIN contracts "will bring together technology developers with doctors and hospitals to create innovative state-of-the-art ideas for how health information can be securely shared," HHS Secretary Mike Leavitt said in a statement.

Four business teams will work separately to develop an architecture and a model network for hospitals, laboratories, pharmacies and physicians. They also will work together to harmonize the systems for secure, reliable sharing among all the medical professionals. The end product will be a single infrastructure.

The teams are led by: Accenture Ltd. of Bermuda; Computer Sciences Corp. of El Segundo, Calif.; IBM of Armonk, N.Y.; and Northrop Grumman Corp. of Los Angeles. Patent office taps ASRA to manage help center

The Patent and Trademark Office has hired ASRA Management Services of Anchorage, Alaska, to open and manage an Enterprise Contact Center under a one-year contract, the company announced.

ASRA will team with System Integration Inc. of Landover, Md., to provide automated access for callers with questions about the patent process, Patent Office products or services.

The contract start date is Dec. 1 and has a potential value of \$15 million if all four of its additional one-year options are exercised, according to an ASRA spokeswoman.

ASRA is certified as an Alaskan native corporation by the Small Business Administration.

Nov. 21, 2005

Two sides of small-biz goals

By Michael Hardy

Is the government meeting its small-business goals? The answer depends on whom you ask, where their data comes from and how they analyze it. Political considerations further cloud the issue.

The Democrats on the House Small Business Committee issued a report in October stating that the federal government overall awarded 22.44 percent of prime-contracting dollars to small businesses in fiscal 2004, just missing the governmentwide goal of 23 percent. The goal was raised from 20 percent to 23 percent in fiscal 1997, and the government has missed that target since fiscal 1999, according to the report.

The committee's Democrats, scoring agencies individually, gave the government overall a grade of D for small-business contracting, identifying the departments of Homeland Security, Interior, Transportation, Agriculture and Veterans Affairs as the best performers. They scored Bs or B-minuses.

Contract dollars going to small businesses declined by 31 percent from fiscal 2003 to fiscal 2004, according to the report.

But market research firm Input painted a rosier picture when it evaluated 15 Cabinet-level agencies for a report released in September. Ten of the 15 met or exceeded the small-business goals set for them by the Small Business Administration, the report states. There are several factors that can affect the outcome of such an analysis, said a General Services Administration official, who spoke on condition of anonymity. Some agencies

don't enter all of their procurement information into the Federal Procurement Data System (FPDS), the official said, and some contracts, such as those awarded for performance outside the United States, are generally not counted as contracts for which small businesses could compete.

Furthermore, the Small Business Committee's Democrats studied 22 agencies, while Input sampled 15. The Democrats' report included information from agencies to supplement FPDS data. The Democrats also adjusted the numbers to account for the difference between agencies' additional information and FPDS data and to account for the possibility that some small-business figures might have been overstated.

Jennifer Geurin, the Input senior analyst who wrote the firm's report, acknowledged the disputes over small-business data.

"We know there are some holes in it," she said. "We just went by what SBA reported in their goaling reports." Even if the data is not wholly accurate, she added, it indicates an overall positive trend.

Nov. 21, 2005

Small businesses reach nirvana on Air Force's NetCents program

By Frank Tiboni

Small businesses must have good karma on the Air Force's Network Centric Solutions (NetCents) information technology contract. They have received \$251 million of the \$430 million contract dollars spent in the first year of the \$9 billion program -- a 58 percent share of the wealth.

The Air Force planned to route 20 percent of the contract's revenues to the four small-business prime contractors on NetCents and earmarked another 20 percent for small-business subcontractors on the teams of the four large-business prime contractors.

But the Air Force has far exceeded its small-business contracting goals for NetCents. The service's contracting officials say this is because small businesses are simply getting the job done.

"They are working very hard. They want to serve their customers," said Melva Strang, former NetCents program manager and current chief of the products and services branch in the Headquarters Operations and Sustainment Systems Group -- the new name for the Air Force's IT acquisition and administration shop.

"They also give competitive bids and have efficient integrated processes," Cynthia Crews, the new program manager for NetCents, said of small businesses.

Small-business prime contractors received \$206.3 million and small-business subcontractors received \$44.7 million for NetCents in fiscal 2005.

Multimax, an IT reseller and services firm, led the pack with 287 task orders worth \$71.1 million. Telos ranked second with 134 orders at \$64.9 million, the Centech Group was in third with 126 orders at \$51.3 million, followed by NCI Information Systems with 70 orders worth \$19 million.

"We're trying to bid as much as we can," said Mack Griffin, Multimax's deputy program manager for NetCents, explaining the company's successful strategy.

Griffin said Multimax has been fairly aggressive and agile in pursuing task orders. He said the company also had an advantage because it previously supported Air Force organizations and specializes in selling IT products, which is a component of the NetCents contract.

One of Multimax's largest IT products' deals with NetCents was a \$4.3 million task order to supply Dell servers, EMC storage equipment and Argent software and support to U.S. Air Forces Europe in Germany. Another was a \$2.1 million order for Cisco voice-over-IP products to Shaw Air Force Base in South Carolina, he said.

However, Multimax is also winning IT services work under the contract. The company recently received a \$37.6 million order to support Air Force organizations at Wright-Patterson Air Force Base in Ohio, a base that the company has supported since 2000, Griffin said.

Ralph Buona, vice president of business development at Telos, said the services firm has followed a similar strategy of trying to score as much business as possible. "We have very significant business development and proposal writing machines," he said.

Buona said small businesses have done well on NetCents because they do a better job working with Air Force organizations. In addition, some orders are small enough that larger companies might let them pass, but they are important to small firms.

"We pay very, very close attention" to opportunities, he said.

Buona said Telos has focused more on IT services work under the contract for two major reasons. "Solutions are more challenging and are worth more money," he said.

One of Telos' largest IT services deals is a multimillion-dollar task order to install wireless networks at Air Force bases. Another is an order potentially worth \$34 million to update the messaging capabilities of the Pentagon Telecommunications Center.

The high percentage of the work and revenue that Multimax, Telos and other small businesses obtained proves they can get the job done, said Neal Fox, a retired Air Force colonel and former assistant commissioner for acquisition at the General Services Administration.

"This shows the abilities of small- business IT companies to pull off large, complex IT projects and [do it] quite well," Fox said. He now heads his own government procurement consulting firm, Neal Fox Consulting.

The Air Force awarded eight indefinite-delivery, indefinite-quantity contracts last year, four to small businesses and four to large ones, under the five-year NetCents program.

The four large-business contracts went to Booz Allen Hamilton, General Dynamics, Lockheed Martin and Northrop Grumman.

The Air Force is pleased with the first year of the contract, especially the number of task orders that went to small businesses, Strang said. They received 567 of the 986 orders. Despite the number of task orders, the Air Force hoped to do a little more overall, Strang said. The service's contracting officials will boost its customer outreach efforts in support of NetCents in fiscal 2006, she said.

They will also get additional backing in the form of another memo from the Office of the Secretary of the Air Force, Chief of Warfighting Integration and Chief Information Officer. The new memo will reiterate the mandatory use of NetCents for purchasing IT services and products, except for desktop and notebook computers.

Small businesses may want to meditate on the Air Force's Network Centric Solutions information technology contract. The four small-business prime contractors and other small firms serving as subcontractors have taken more than half of the \$430 million spent in the first year of the program.

November 14, 2005

Report card is unfair

By RALPH THOMAS

The Democratic staff of the House Small Business Committee recently released its annual report card that purports to grade federal agencies on their small and disadvantaged business utilization. This report demonstrates more than ever the need for an alternative, uniform measurement that yields a fair and credible assessment of the government in this important arena. This would give federal agencies stronger guidance on how to improve their performance and would better illustrate the high quality and cost-saving contributions of small businesses in federal contracting. In addition, it would greatly enhance the public image of federal programs that use small and disadvantaged businesses.

It must be pointed out that the report card was probably never intended to be a serious indicator of the small-business performance of each federal agency. It does serve the purpose, however, of being a political wake-up call and an annual rallying cry to the public that the federal government as a whole is still coming up short in contracting with small and disadvantaged businesses to the maximum practical extent, as called for by the law. NASA provides a good case in point.

In fiscal 2004, NASA had its best year ever in small and disadvantaged business performance. It broke agency records in nine different small-business categories. Such figures represent double, triple and quadruple increases in both percentages and dollars spent with small, minority- and women-owned businesses since fiscal 1992 with essentially the same overall contracting budget. In addition, there is special congressional legislation that establishes an 8 percent goal for NASA in prime and subcontract dollars with small disadvantaged businesses, including women-owned businesses and minority educational institutions. NASA achieved 19.4 percent against that goal. Moreover, NASA is well-respected in the small-business community. In a nationwide online poll of diverse small-business owners conducted in 2004 by Diversitybusiness.com, the agency received the most votes of any major contracting agency for providing contracting opportunities to multicultural businesses. In the last two years alone, NASA has received honors and recognition from the Small Business Administration, the National Women's Business Center, Asian Enterprise Magazine, and Minority Enterprise Advocate Magazine, to name a few.

Yet the House report card gave NASA an F.

Why? Because the report card is limited solely to the numerical prime-contract dollars and takes an across-the-board approach with each federal agency, without regard to their unique budgets, products or services, its methodology generated some grades inconsistent with an agency's actual, overall performance with small businesses.

The new uniform performance measurement standard I propose would include not only an agency's success in meeting numerical percentage goals negotiated with the SBA, but also an assessment in the following categories:

- Contribution to the agency mission. This would consist of documented success stories on how small businesses saved the agency money or helped it perform its mission in a unique way. At NASA, for example, small businesses of all kinds are helping the agency in such important initiatives as returning the space shuttle to flight and building the international space station, providing high-quality and cost-conscious goods and services.
- Subcontracting. This was not assessed in the report card. Yet it is important, because that is where billions of dollars in opportunities exist for small business in some of the larger and more technical agencies, where the bulk of their budgets consist of huge contracts with major corporations.
- Agency-specific small-business initiatives. These are programs that ensure small firms have better access to an agency's procurement process, such as training programs, vendor outreach sessions, conferences, special seminars, contractor forums, publications, instructive Web sites and other outreach efforts.
- Program administration compliance. An agency's level of compliance with the relevant statutes and regulations appears to provide the foundation for any successful small-business program.

In conclusion, the field of small and disadvantaged business utilization must be taken out of the political arena and put in the business arena. With predictable, defined categories of measurement, the frequency and the manner in which federal agencies use small and disadvantaged businesses would vastly improve over time, benefiting both the government and the taxpaying small businesses.

Ralph Thomas is NASA's assistant administrator for small and disadvantaged business utilization. The views expressed are his own.

November 17, 2005

Lawmaker urges Bush to promote telework

By Daniel Pulliam

A Virginia lawmaker on Wednesday urged President Bush to speak out in support of allowing federal employees to telework.

High-level support is critical to eliminating negative perceptions of alternative work arrangements, said Rep. Frank Wolf, R-Va., at a hearing on telework.

"If the president made this a priority, spoke about it at the State of the Union, then the Cabinet-level secretaries would get it down to the mid-level managers," Wolf said.

"There are no downsides to this."

In [a Sept. 15 letter to Bush](#), Wolf asked him to encourage agencies to actively support and encourage telework. Some federal contractors struggled to work with federal agencies in the Hurricane Katrina relief efforts because certain federal employees were barred from teleworking, Wolf said.

Dan Scandling, a spokesman for Wolf, said he is not aware of any response from Bush. A handful of agencies likely will come under [financial pressure](#) from Congress to step up telework efforts. Language in the fiscal 2006 State-Justice-Commerce appropriations bill ([H.R. 2862](#)) requires five agencies to increase the number of employees who work away from the office or lose out on \$5 million each.

Both chambers have agreed to a final version of that bill, and it is now headed to President Bush's desk for his signature. The agencies survived [similar scrutiny](#) last year. Wolf used his influence as chairman of the appropriations subcommittee handling the spending bill to secure inclusion of the telework requirement. He and Rep. James Moran, R-Va., testified before the House Government Reform Subcommittee on the Federal Workforce and Agency Organization about what government agencies and private corporations are doing to help the country's workforce combat unstable fuel prices. Wolf said was disappointed that the federal government has not fully embraced the concept of telework. Working away from the office reduces the demand for gasoline and eases traffic, he said. Telework also is an important component of agency plans to continue providing essential services in emergency situations, he added.

"Let's say someone in my office gets avian flu. Are you going to tell that person to come in if he or she is a key person?" Wolf told the subcommittee.

A lack of flexible telework policies has caused agencies to lose employees and has made them less productive, said Rep. Tom Davis, R-Va., chairman of the Government Reform Committee.

"Yes, telework requires a great deal of managerial skill and employee responsibility," Davis said. "It requires a change in organization culture, where employee 'face time' needs to be recognized as less important than employee productivity."

Daniel Matthews, the Transportation Department's chief information officer, told the subcommittee that the government should consider providing money for high-speed Internet access to help employees who need it to work from home.

November 17, 2005

Meld program management, acquisition for success

By Michael Hardy

Program management should be part of the acquisition process from the beginning of major information technology projects to give them the best shot of succeeding, a panel of federal officials agreed today.

Speaking at the Program Management Summit, a conference sponsored by FCW Media Group's FCW Events, the panelists said collaboration between the two disciplines is critical.

David Drabkin, deputy chief acquisition officer at the General Services Administration, drew a distinction between acquisition and contracting. Although the terms are often used interchangeably, he noted that acquisition refers to the entire life cycle of a project, from the initial drafting of requirements all the way to the final disposal of assets when they are due for replacement or termination. Contracting is a subset of acquisition and refers to individual contracts, he said.

Acquisition ideally takes place against the backdrop of an enterprise architecture, an overarching strategy, he said. "It's the absence of settled enterprise architecture throughout the government that can, in part, account for failed contracts and failed acquisitions," he said.

Charles Havekost, chief information officer at the Department of Health and Human Services, also emphasized the importance of collaboration. "This theme of communication is one we all have to be aware of," he said.

A project needs a program manager with a stake in the outcome, he said. The manager needs a passion for the project and the ability to inspire a similar fervor in the project team.

"You can't build fire in a group if you're talking about something that's complex," Havekost said. "Complexity takes nuance to describe. You have to distill down this complex project that you're doing."

Agency leaders should stick with their strengths, said Susan Gerbing, program manager of the Health IT Program Management Office in the Veterans Health Administration's Office of Information.

"It doesn't hurt to get outside consultants," she said. "At VA, we deliver patient care. We are not IT experts."

Drabkin said failed IT projects can be costly to recover from, expenses that could be avoided with good program management.

"We're willing to spend lots of money shooting the wounded, but not on making sure we have enough people in the program office to do it right in the first place," he said.

November 17, 2005

DOD could create new small-business set-asides

By Michael Hardy

Defense Department agencies could gain the power to have some multiple-award contract task orders set aside for small businesses under an amendment in the Senate's Defense Authorization bill.

Called "Fair Access to Multiple Award Contracts," the passage applies to General Services Administration schedule contracts and other multiple-award vehicles. Larry Allen, executive vice president of the Coalition for Government Procurement, described the amendment as a "watered-down version" of a measure Sen. Olympia Snowe (R-Maine) first introduced.

"It would allow, but not require, ordering agencies to set aside specific [multiple-award contracts] and schedule task orders for small businesses," Allen said. "I think many agencies already do this, but that the statutory basis for such actions has been murky. This would seem to clean it up and let agencies do what they may already have been doing. It is a better approach than setting aside schedule task orders for small businesses on a mandatory basis."

November 17, 2005

E-gov grades drop for six agencies

BY Sara Michael

E-government took a hit in the latest report card on the President's Management Agenda's initiatives, as the current status rating dropped for six agencies.

In the Office of Management and Budget's latest score card for the quarter ending Sept. 30, four agencies received green scores for their current state of e-government, compared with seven agencies after the previous quarter. Nine agencies scored red in e-government, compared with six failing grades last quarter. Last year at this time, eight agencies were seeing green and seven failed.

In the quarterly score card, OMB officials evaluate agency status and progress in five areas: workforce management, competitive sourcing, financial performance, e-government, and budget and performance integration.

Clay Johnson, OMB's deputy director for management, attributed the downgrade to failure to complete several milestones in agencies' e-government implementation plans. Although "97 percent of all milestones were achieved, one agency did not implement Disaster Management Interoperability Services as planned, 25 percent of discretionary grant application packages were not posted on Grants.gov at one agency, and the

migration to the Federal Docket Management System did not occur,” Johnson said in a statement.

Agencies that dropped include the Environmental Protection Agency, the State Department and NASA, which all dropped from green to yellow; the Interior and Justice departments and the U.S. Agency for International Development, which all moved from yellow to red.

At a conference held today by the market research firm Input, Karen Evans, OMB’s administrator for e-government and information technology, said it’s tough for agencies to maintain a green score because if an agency misses a milestone “you drop in status.” And some agencies have 100 milestones to maintain their status.

Evans said the score card shows the “impact of e-government plans kicking in.”

The Transportation and Labor departments maintained their green scores, but “they will tell you it’s really hard to be green,” Evans said. “Now they have to maintain it.”

She said agencies are always feeling the pressure because department secretaries want to perform well.

“Every agency that is yellow wants to be green,” Evans said.

Johnson said OMB officials expect e-government implementation to be on track by next quarter.

There was some good news in the latest report’s progress score for a few agencies. The Health and Human Services and Justice departments both moved from yellow to green in the area of budget performance and integration, and the Treasury Department improved to a green progress score in e-government.

November 15, 2005

Survey: Telework could save employees thousands

By Daniel Pulliam

Thousands of federal employees who have registered at a telework-related Web site spend an average of 233 hours a year commuting, at a cost of \$10,580, according to a report published Monday.

The ["Federal Telework: No Free Ride" study](#) was conducted by the Telework Exchange, an Alexandria, Va.-based organization and is based on information provided by 3,500 federal employees who registered at a [Web site](#) run by the group.

While nearly every agency has a telework plan, only 66 percent of those registering on the site said their agency had one and only 34 percent said they had access to the plan.

Nine percent of the registrants could name their agency's telework coordinator.

The Telework Exchange's Web site is available to people with e-mail addresses ending in .mil, .gov, .edu, or .us. Registrants provided current data on commuting habits, including information on the type of vehicle they drove and the distance of their commute.

Of the 3,500 registrants included in the study, 58 percent said they were interested in teleworking, 20 percent already were teleworking and 5 percent were telework managers.

The employees who registered at the site and stated that they worked away from the office at least one day a week had saved \$5.9 million in commuting costs, according to the report. The Telework Exchange projected that if an employee worked away from the office three times a week, he or she would save an average of \$4,372 each year and would recoup about 98 hours that would have been spent driving.

"The findings of the 'No Free Ride' study clearly indicate the need for improved access to telework programs and continued telework education in the federal government," said Stephen O'Keeffe, executive director of the Telework Exchange.

On Wednesday, the Office of Personnel Management is scheduled to testify on the importance of telework before the House Government Reform Subcommittee on the Federal Workforce and Agency Organization. Reps. Frank Wolf, R-Va., and James Moran, D-Va., also are scheduled to testify on what can be done to encourage federal workers and agencies to use mass transit, telework or stagger work hours to cut down on energy costs.

November 14, 2005

Army seeks companies with global reach

The Army wants to award contracts to companies that can adapt to unique and diverse environments and modernize the service's information technology infrastructure. Those requirements appear in the Army's solicitation for the \$4 billion Infrastructure Modernization (IMOD) program.

According to the new solicitation, the service plans to award eight contracts, including two to small businesses, in April 2006.

IMOD will be one of the Army's largest IT contracts and will include provisions for installing and upgrading voice, video and data networks at major service locations worldwide.

IMOD is also significant because it will enable the Army to offer more flexible contract options and use performance-based contracting.

For example, the service will require companies that submit proposals to show how their IT infrastructure solutions can be deployed at three specific Army sites.

Answers to those so-called active tasks will help companies win one of the contracts, and the best ones will win the first task orders, said Col. Scot Miller, project manager in the Office of the Project Manager for Defense Communications and Army Switched Systems. The office is part of the Army's Program Executive Office for Enterprise Information Systems.

"We're interested in companies that prove they have global reach in unique and diverse environments," Miller said.

The value of the IMOD acquisition is that the Army took a traditional sample-tasks procurement technique that did not have much value and turned it into realistic active

tasks, said Chip Mather, a 20-year government contracting official who is now a partner at the IT and procurement consulting firm Acquisition Solutions.

Under sample-tasks procurements, the Army provides companies that submit proposals with requirements for hypothetical bases and situations. By contrast, active tasks reflect real needs at actual bases.

The latter approach allows the Army and bidders to better understand IMOD's requirements, Mather said.

The vendors that best understand those requirements will submit the best proposals and win the contracts. "I love a competition of ideas," he said.

Ray Bjorklund, senior vice president and chief knowledge officer at the marketing and consulting company Federal Sources Inc., agreed with Mather.

"It's a great way for evaluators to see if offerors are willing to think about how to do the job better," he said.

IMOD is the contract vehicle for the Installation Information Infrastructure Modernization Program, a multibillion-dollar initiative. That program covers the installation and upgrade of outdoor cable, telephone switches, network hardware and software, and fiber-optic cables at major Army locations worldwide.

Completion of that information infrastructure will allow combat soldiers to more easily connect to systems at their home bases. It will also allow combat support employees, including logisticians, to work from the United States instead of overseas.

IMOD replaces the Army's Digital Switched Systems Modernization Program, a 10-year, firm-fixed-price contract that expires in June 2007. That contract had 19 suppliers including Harris, Northrop Grumman and General Dynamics. The new contract will have several advantages over the previous one, said Rita Cashour, who leads the service's IMOD Integrated Product Team.

In addition to introducing performance-based contracting, IMOD will give the Army flexibility in using other contract types such as firm fixed price, time and materials, and cost reimbursement.

The Army's Infrastructure Modernization solicitation will require companies to submit their best ideas on how to update the information technology infrastructure at three sites. The submissions for those "active tasks" will help vendors compete for the modernization program's contracts and initial task orders.

The three sites are:

Fort Riley, Kan., for IT engineering and implementation.

Sagami, Japan, for IT implementation.

Sheridan Barracks and Artillery Kaserne, Germany, for IT implementation.

November 14, 005

Webcast Training for Veteran Business Owners

Contact: Tiffani Clements

WASHINGTON – For the first-time ever, Veteran-owned small business owners will be able to participate in a live interactive webcast that will provide training and raise awareness of federal contract assistance for Veteran and Service-Disabled Veteran-owned businesses offered by the U.S. Small Business Administration.

The four-hour live webcast will take place on Dec. 14, 2005, at 1:00 p.m. EST and is one of a series of training sessions for veteran-owned businesses that will take place around the country. Subsequent training courses will be announced at a later date.

“We are excited about this opportunity to partner with the Veterans Task Force and USVets.TV to help educate the veteran community on a variety of topics including how to start their own business and navigating the federal contracting arena,” said SBA Administrator Hector V. Barreto. “This initiative is in accordance with the President’s Executive Order to help the courageous men and women who served this country honorably gain access to contracting opportunities in the federal marketplace.”

Individuals planning to participate in the live webcast, should visit www.usvets.tv or www.tvworldwide.com on Dec.14, at 12:45 p.m. EST and have the free Windows Media Player installed prior to the event. The webcast will be archived for later viewing for a full year. DVD and CD-ROM copies will also be made available to interested Veteran and Service-Disabled Veteran-owned businesses.

The webcast, which will be produced by George T. Brown Associates, Inc., a service-disabled veteran-owned business, will feature interactive discussions with Teresa Lewis, SBA assistant administrator for the Office of Federal Contract Assistance for Veteran Business Owners, William Elmore, associate administrator for the Office of Veterans Business Development, representatives from the Task Force for Veterans Entrepreneurship and other speakers and panelists. During the webcast, veterans will be able to e-mail their questions directly to the participants and get immediate responses.

The webcast will also highlight:

- How to market to the federal government (Central Contractor Registration and business plans);
- How to get on the General Services Administration’s Federal Supply Schedule;
- How to establish a teaming arrangement (joint venture agreements, subcontracting agreements and mentor protégé agreements);
- How to finance your business (start-up capital, loans, SBA loan guarantees, bank loans, budgeting, capital for growth and

expansion); • Methods for forecasting contracting opportunities; and • How to successfully get contract opportunities.

The SBA recently held a live Web chat with Jessica Salanis, director of the Veterans Business Outreach Center at the University of Texas-Pan American and Mark Lano, a veteran business owner to share insightful information on veterans business development as it relates to federal contracting and tools and resources available to support the success of veteran-owned small businesses.

The chat also engaged business owners in a national dialogue on assistance available for self-employed veterans, including Reserve and National Guard member small business owners and allowed Web chat participants to get information on veterans business assistance from the SBA. To view the transcript of the chat, visit www.sba.gov/chats. For more information on how to receive veterans business assistance from the SBA, visit www.sba.gov/gc/indexprograms-vets.html.

November 14, 2005

Federal robot research offers consumer benefits

By Lamont Wood

While consumers have long benefited from military technology trickling into the civilian sector, government research into mobile robots promises to bring a host of products previously only envisioned as science fiction.

Mobile robots move on their own power and manipulate things. Reportedly, there are about 500 robots authorized by the U.S. government for use in the war in Iraq, mostly for bomb disposal. And a 2001 defense authorization law mandated that by 2015, one-third of ground combat vehicles must be unmanned.

The Pentagon also is working on the Future Combat System, a long-term modernization initiative that foresees a wide range of robotic vehicles. They range from devices that fit in backpacks for snooping around corners to self-navigating, unmanned large trucks. October's Grand Challenge road race, hosted by the Defense Advanced Research Projects Agency, was a day-long, cross-country robot race with a \$2 million prize. Last year, there were 16 entrants and none made it to the finish line. This year, five robotic vehicles took a victory lap.

That \$2 million investment is spare change compared with overall robotics spending by the military. "Especially when you include the enabling technologies, like sensors and power plants, it easily adds up to hundreds of millions of dollars yearly," said Bill Thomasmeyer, president of the Pittsburgh-based National Center for Defense Robotics.

So far, the chief trickle-down for consumers is components. "You can buy the motors, gears, bearings and computer boards you need, so there is a supply chain," said Yulun Wang, founder and CEO of InTouch Technologies in Santa Barbara, Calif. "And parts are getting cheaper."

Wang's firm is considered one of the success stories in the embryonic industry for civilian mobile robotics. Wang's robots are used for telepresence, which involves doctors at computer terminals controlling robots to see things remotely. The robotic "head" is a monitor that shows the doctor's face, so the doctor can maneuver through a distant hospital and interact with patients. A nurse performs any medical tasks.

Such machines can be rented for \$4,000 per month.

Mobile Robots in Amherst, N.H., sells \$35,000 robots designed to patrol buildings or run errands. Jeanne Dietsch, the CEO and co-founder. The robots map buildings with sensors, navigate and skirt obstacles. An outdoor version is pending.

Dietsch has her own reason for being happy about the burgeoning military market. "It keeps everyone on the military side distracted while we clean up on the commercial side, where we are almost the only serious player," she said.

No one is predicting humanoid robot servants like in the movie "I Robot," based on a novel by science-fiction writer Isaac Asimov. But a common observation is that the industry's status is comparable to Apple Computer's first attempt to enter the personal computer marketplace.

The Apple I was hand made in a garage. The Apple II was a mass-produced market success. If the analogy holds true, the robot industry is in for a wild ride.

VA, GSA Sign Agreement for Veterans' Businesses

Nov. 4, 2005

VA and GSA Agreement

- The Department of Veterans Affairs (VA) and the General Services Administration (GSA) have signed a formal agreement expanding GSA's efforts for businesses that are owned by veterans, especially service-disabled veterans.

"America's veterans are a national treasure, a pool of trained, motivated, reliable entrepreneurs," said the Honorable R. James Nicholson, Secretary of Veterans Affairs. "They're looking for a helping hand, not a hand-out."

The agreement signed between the two federal agencies commits GSA to place additional emphasis upon programs for veteran-owned businesses and businesses owned by service-disabled veterans.

In 1999, Congress passed legislation urging all federal agencies to strive toward awarding 3 percent of their contracts - by value - to service-disabled, veteran-owned small businesses.

Among other features, the agreement commits VA and GSA to co-sponsor eight regional conferences for veteran businesses in the coming year, with participation by the Small Business Administration and other federal agencies. The first will be held Nov. 7-8 in Kansas City, Mo.

VA's efforts on behalf of veteran-owned businesses are overseen by the Department's Center for Veterans Enterprise (CVE). Further information about VA's programs for veteran-owned businesses is available on CVE's Internet Web site at

<http://www.vetbiz.gov> <<http://www.vetbiz.gov>> .

GSA's activities on behalf of service-disabled veteran-owned small businesses are located at www.gsa.gov <<http://www.gsa.gov>> .

November 10, 2005

Senate Approves Language to Limit DOD Use of Cascading Set-Asides

The Senate, which is continuing to debate its fiscal year 2006 defense authorization bill (S. 1042), Nov. 8 approved an amendment that would severely restrict the Defense Department's use of controversial "tiered" evaluations of proposals, also referred to as "cascading" set-aside procurements.

The measure would require the secretary of defense to issue guidance prohibiting the use of a tiered evaluation unless the contracting officer:

- ◆ has conducted market research to determine whether or not a sufficient number of qualified small businesses are available to justify limiting competition for the award of the task or delivery order;
- ◆ is unable, after conducting such market research, to determine whether a small business set-aside is justified; and
- ◆ explains in writing in the contract file why he or she is unable to make that determination.

The amendment was included in the manager's package by Senate Armed Services Committee Chairman John Warner (R-Va.), which was agreed to en bloc.

Other Acquisition-Related Amendments

Other acquisition-related provisions approved as part of the package include:

- ◆ an amendment authored by Sen. Robert Byrd (D-W.Va.) that would require quarterly reports to Congress on audits of task- or delivery-order contracts and other contracts related to security and reconstruction activities in Iraq and Afghanistan and allow withholding of up to 100 percent of unsupported or questioned costs;
- ◆ a measure proposed by Sen. Richard Durbin (D-Ill.) that would require DOD to report to Congress when the unit cost in a major acquisition program exceeds the original baseline projection by more than 50 percent;
- ◆ an amendment authored by Sen. John McCain (R-Ariz.) that would require DOD to report to Congress on the use of lead systems integrators for the acquisition of major systems, to complete an analysis of alternatives before the commencement of any major acquisition program, and to make certain findings before using a lease or charter to obtain aircraft, naval vessels, or combat vehicles; and
- ◆ language sponsored by Sen. David Vitter (R-La.) that would require DOD to notify Congress if it cancels any major automated information system.

Tiered Evaluations Strongly Opposed

The practice of tiered evaluations of proposals has been used increasingly in recent months and is vehemently opposed by contractor groups. Warner had offered a similarly restrictive amendment in July and it was cleared for a vote before Senate Majority Leader Bill Frist (R-Tenn.) pulled the defense bill from the Senate floor.

In tiered-evaluation or cascading set-aside procurements, all offerors submit their proposals at the same time, but the evaluation process is tiered by socioeconomic category, with proposals in the narrowest or most preferred category evaluated first, and evaluators moving to the next, less preferred category only if no award is made at the preceding tier.

For example, proposals from small businesses would be evaluated first and proposals from large businesses would be evaluated only if award could not be made at the small-business level. If at any phase a winner is identified, the competition comes to an end. Accordingly, "it is entirely possible that the vast majority of companies that have expended precious bid and proposal money to develop their submittals will never be evaluated," the Professional Services Council wrote in a July 12 letter asking the Office of Federal Procurement Policy to take action to sharply restrict the use of the technique. "There is a virtual consensus in industry that cascading represents an unfair and costly procurement strategy," PSC President Stan Soloway said.

Market Research Required Under 'Rule of Two.'

More recently, the Council of Defense and Space Industry Associations expressed similar views to Acting OFPP Administrator Robert Burton.

While federal agencies have touted the tiered process for its efficiency, CODSIA charged that it "abrogates the buying agency's responsibility to conduct adequate market research for determining whether to set aside a given procurement."

The CODSIA letter was signed by the National Defense Industrial Association, the Contract Services Association, the Electronic Industries Alliance, the Aerospace Industries Association, and PSC.

The Federal Acquisition Regulation requires that a contracting officer set aside for small business all acquisitions exceeding \$100,000 if there is a reasonable expectation of receiving fair market price offers from at least two responsible small business concerns. This requirement, known as the "rule of two," is set out at FAR 19.502-2(b). Other portions of FAR Part 19 describe the process and procedures to be used by the government in determining the propriety of various set-aside actions. 📄

November 10, 2005

OMB leads effort to speed security clearances

BY Florence Olsen

A Bush administration plan to speed security clearances for Defense Department employees and contractors includes impressive metrics but also some significant deficiencies, according to testimony presented on Capitol Hill this week.

Lawmakers and Bush administration officials have declared the backlog of DOD security clearance applications to be a national security problem. Under the authority of an executive order that the president issued this summer, a new Security Clearance Oversight Steering Committee developed a plan that administration officials say holds agencies accountable for eliminating most security clearance delays by December 2006. The committee is made up of officials from the Office of Management and Budget, the Office of Personnel Management and other federal executive agencies.

The committee's plan calls for enforcing the federal law known as reciprocity, under which agencies, with few exceptions, must honor existing security clearances and not initiate new investigative checks or reviews of existing background investigations, said Clay Johnson, deputy director for management at OMB.

"Reciprocity has been required before, but no one has ever held agencies accountable for honoring it. We will," said Johnson, who testified before a Senate workforce subcommittee Nov. 9.

The administration's plan, which focuses on using information technology to improve the security clearance process, sets a deadline of December 2005 for OPM to create

consolidated database of information on people with current security clearances and the types of clearances they have, Johnson said.

He also testified that committee members have pledged that their agencies will use OPM's Electronic Questionnaire for Investigations Processing (eQIP) to submit background information electronically. Use of the system speeds the process of collecting background information, and it guarantees the information collected is complete and accurate, Johnson said.

In October military, civilian and contractor employees used eQIP for an average of about 4,250 background investigations a week, OPM director Linda Springer said. In June employees had requested an average of only about 370 investigations through eQIP, she said.

The Government Accountability Office, which conducted a preliminary review of the Bush administration's plan, said it provides many metrics for monitoring the timeliness of the clearance process. But GAO auditors criticized the plan for being short on details about how agencies will achieve those metrics or what resources they will need.

Derek Stewart, director of defense capabilities and management at GAO, testified that the administration's plan focuses on improving the timeliness of the clearance process without adequately addressing the quality of security clearances being conducted. Stewart said counterintelligence leads might be a useful metric for measuring quality.

"Developers of the plan may want to consider adding other indicators of the quality of investigations, such as the number of counterintelligence leads generated from security clearance investigations and forwarded to relevant units," he said.

November 10, 2005

Defense bill could limit DOD contracting activity

By Michael Hardy

The Defense Department could be limited in its ability to use contracts outside DOD, based on a provision in the Senate version of the Defense Authorization bill.

The bill, which the Senate could vote on today, calls for the creation of Contract Support Acquisition Centers within the Defense Logistics Agency and each of the military branches. The centers will oversee service contracting activities for DOD.

The bill further provides that after Sept. 30, 2009, no federal employee outside of one of the centers can enter into service contracts for the DOD without prior approval from the center's director or the DOD Secretary, unless the contract value is less than the simplified acquisition threshold.

The implications for the General Services Administration and other procurement organizations are unclear.

Larry Allen, executive vice president of the Coalition for Government Procurement, said the goal of the measure is only to add a layer of oversight to DOD's contracting activities, not to keep the agency from using GSA's services.

"Many of our members feel that DOD already has sufficient" safeguards and that Congress' efforts would be better spent on urging enforcement of existing rules rather than adding new ones, he said.

November 9, 2005

GAO lauds DOD biz progress

By Frank Tiboni

The Government Accountability Office lauded the Defense Department for its recent progress in modernizing business systems and processes — the first positive report from GAO on DOD's business transformation effort in years.

But GAO said the department should focus more on its business management than on its systems. "Business transformation is much broader and encompasses planning, management, structures and processes related to all key business areas," GAO's report states. The agency released the report today.

GAO said DOD's Business Enterprise Architecture Version 3.0 meets a requirement in the 2005 Defense Authorization Act. But the agency said the new architecture provides for a target architecture, not a current one.

"Without this element, DOD could not analyze the gaps between the two architectures — critical input to a comprehensive transition plan," according to GAO's report.

GAO said the department met another Defense Authorization Act requirement by establishing structures and processes for reviewing and approving business systems investments. But the agency said DOD has not put them in place.

DOD made a bold move to fix its business systems and processes last month by creating the Defense Business Transformation Agency. The new agency will unify the military's programs and funding related to business systems and processes.

November 8, 2005

Electronic subcontract reporting system goes live

By Michael Hardy

An electronic system for agencies and contractors to use to report subcontracting accomplishments is now available. The Electronic Subcontract Reporting Systems

(eSRS) is functioning at its initial capacity, according to a General Services Administration announcement.

The system is expected to achieve full capability, including integration with many back-office applications and expanded reporting features, in early 2006. GSA awarded the contract to create eSRS to Symplicity, an 8(a) firm, in January.

Contractors to civilian agencies can now enter their subcontracting reports for individual contracts and summary subcontract reports online, replacing a couple of paper forms.

Civilian contractors are required to submit summary reports for fiscal 2004 into the system, but not individual contracts. They must submit summary and individual reports for fiscal 2005, however.

ESRS is the latest system under the umbrella of GSA's Integrated Acquisition Environment. Defense Department contractors will be able to use it by the third quarter of fiscal 2006.

November 7, 2005

DOD reviewing acquisition reform

By Frank Tiboni

The Defense Department is five months into a review of the military's acquisition structure and processes. That effort could lead to the faster delivery of weapon systems to the battlefield.

The new Defense Acquisition Performance Assessment (DAPA) Project is examining every aspect of DOD acquisition, including requirements and organization. Department leaders want a procurement system with clear responsibility, authority and accountability, according to military and industry officials.

"There is a growing and deep concern with the Congress and within the [department] leadership team about the DOD acquisition processes," said Gordon England, acting deputy secretary of Defense, in the "Acquisition Action Plan" memo that established the new project. He issued the memo this summer to senior department, service and agency officials.

England said many DOD programs continue to increase in cost and schedule even after multiple studies and recommendations. He said he wants a simpler acquisition system.

"Restructuring acquisition is critical and essential," England said.

Military leaders who spoke at last month's Milcom 2005 conference expressed frustration with DOD's current acquisition structure, saying it takes too much time to equip warfighters with new systems and technologies to wage the war on terrorism. The conference did not hold a session specifically on the topic, but at least six officials discussed it during their presentations.

Air Force Maj. Gen. Tommy Crawford, commander of the Air Force Command and Control, Intelligence, Surveillance and Reconnaissance Center, said the service takes six

years to equip units with a new system, while technology changes every 18 months. "This is unacceptable in the world of information technology," he said.

Army Maj. Gen. Roger Nadeau, commanding general of the Army Research Development Engineering Command, was more blunt. "Traditional acquisition isn't working," he said.

Military officials said al Qaeda can move money to fund missions and buy technologies without legal and budgetary rules and regulations. So DOD must find ways to send systems to the battlefield quicker.

Crawford said military officials can take several steps to speed the acquisition of systems. He said they can use military technology development facilities, called battle laboratories, to work on promising technologies.

Nadeau said the Army has several success stories in which officials procured technologies outside traditional acquisition strategies for the war on terrorism. He cited the Phraselator, a handheld device that allows warfighters to communicate with people in their native language, and the PackBot, a robot that allows them to see inside buildings and caves.

Army Brig. Gen. Nick Justice, deputy program executive officer of the service's Program Executive Office for Command, Control, Communications-Tactical, said strategy is the answer to the DOD acquisition problem. He said the military must find ways to use existing technologies. "We can create new capabilities by integrating current capabilities," Justice said.

The Air Force is leading the DAPA project, and Dave Patterson is its executive director. It includes a panel of military and industry officials, and Ron Kadish, a retired Air Force general, is chairman. He previously led the Missile Defense Agency and is now a partner and vice president at the consulting firm Booz Allen Hamilton.

Military and industry officials believe DOD's current acquisition system is afflicted with massive cost growth, lack of confidence by senior leaders and little, if any, improvement despite many attempts in the past 20 years to fix it. The DAPA project will provide recommendations on improving DOD's acquisition system.

November 3, 2005

Committee members irked by Katrina contracting practices

By Greta Wodel

Members of a panel investigating the government's response to Hurricane Katrina Wednesday accused officials of the Federal Emergency Management Agency and the Army Corps of Engineers of browbeating local officials into dumping cheaper contracts and signing up the federal agencies' own higher cost contractors.

"It's a prevalent practice," Rep. Charles (Chip) Pickering, R-Miss., said at a House Select Hurricane Katrina Committee hearing.

Pickering also said the agencies were not following the Stafford Act, which requires officials to give preference to state and local companies and individuals in awarding federal contracts. As little as 5.6 percent of the Army Corps contracts and 1.9 percent of FEMA's contracts have gone to Mississippi companies, he said.

In response to the grilling by Pickering and others, the procurement officials angered the panel by repeatedly saying they were unaware of procurement policies and laws governing disaster relief contracts.

"Many of our answers are going to frustrate this committee," said Greg Rothwell, the Homeland Security Department's chief procurement officer, arguing his office does not set procurement policies.

Col. Norbert Doyle, the Army Corps' principal assistant responsible for contracting, responded that administration officials are debating the meaning of "preference."

During the exchanges over contracting practices, Pickering said the agencies threatened that state and local officials would not be fully reimbursed if they issued their own contracts.

Homeland Security Appropriations Subcommittee Chairman Harold Rogers, R-Ky., cited a FEMA policy stipulating that after a certain date, state and local officials would not receive a full reimbursement for their contracts. Rogers added that before Hurricane Katrina struck, FEMA officials were in the process of changing the policy.

"That particular policy I am not familiar with," Rothwell conceded. When Rogers asked why officials have yet to change the policy, he added, "We're not the right panelists to answer this."

Rogers responded that tweaking the policy could save "four or five billion dollars" for a debris removal contract issued in Louisiana. Local officials hired contractors to remove debris at a rate of \$9 per cubic yard, but the Army Corps chose to award a contract for \$17 per cubic yard.

Rogers later lambasted Doyle for not knowing how much the agency paid in contracts to patch roofs with blue plastic tarps. Lawmakers cited media reports that have suggested the government is being bilked for thousands of dollars.

"You're the principal assistant in charge of contracts . . . and you don't know the answer to that," barked Rogers.

November 2, 2005

SBA Internet Reporting System For Small Business Subcontracting

Contact: Tiffani Clements

WASHINGTON – The U.S. Small Business Administration and U.S. General Services Administration's Integrated Acquisition Environment Program Management Office today announced a new system to streamline reporting of small business subcontracting activity on large federal prime contracts.

As part of the President's Management Agenda for Electronic Government to use technology to streamline federal procurement processes, SBA and GSA have developed a government-wide Electronic Subcontracting Reporting System (eSRS). This Internet-based tool for reporting on subcontracting plans will streamline the process, and provide agencies with immediate access to analytical data on subcontracting performance. The eSRS specifically eliminates submission and processing of paper SF 294's, Individual Subcontracting Reports, and SF 295's, Summary Subcontracting Reports, and replaces them with electronic versions. Contractors will benefit from the eSRS through the elimination of manual computations and the need to distribute paper reports to agencies.

"In launching this new system today, the GSA and SBA are taking a big step in making it easier for federal prime contractors, and large subcontractors to report their small business subcontracting activity," said SBA Administrator Hector V. Barreto. "This is very important, because it will give us precise and timely insight into the value of subcontracts awarded to small businesses. Subcontracting is an increasingly important part of the federal contracting environment for small businesses. For many smaller firms, it is the first opportunity to demonstrate capability, and to build a track record for pursuing federal prime contract opportunities."

"The eSRS is a development that will substantially improve accountability, transparency, and communication about small business subcontracting," said GSA Acquisition Officer Emily Murphy. "These are concepts that run to the core of the President's Management Agenda for Electronic Government. Fielding eSRS is a major accomplishment for the acquisition community. It is the result of nearly two years of close collaboration across government and the private sector."

The eSRS was certified and accredited at the initial operating capability (IOC) level on October 31, 2005, for immediate use by all agencies, except the Department of Defense. Full operational capability, which will provide more refined report generation, among other things, will be implemented in approximately 60 days. The Department of Defense is scheduled to begin using the system in the third quarter of fiscal year 2006.

All civilian federal agencies, their large prime contractors, and large subcontractors should now begin using eSRS. Contracting officers, prime contractors, and large subcontractors should visit the eSRS Web site at <http://www.esrs.gov>, to register in the system, determine timelines for their agencies or companies, and begin processing subcontracting reports through eSRS.

November 2, 2005

Deep Thinkers

By Kimberly Palmer

Lean six sigma, a management term with a cult-like following in the private sector, is quickly gaining converts among Defense and civilian agencies. It started as a tool to improve how work gets done in Japanese car factories in the 1940s and morphed into a symbol of corporate efficiency in the 1990s. Now lean six sigma has turned into the latest government catchphrase for eliminating waste and reducing errors.

"In the next two to five years, there will be a significant increased push in the [civilian agencies] to adopt these approaches," says Peter Banfield, senior associate at the consulting firm Booz Allen Hamilton and director of its Lean Six Sigma Center of Excellence in Atlanta. It's common to find that 80 percent to 90 percent of manufacturing or back-office processes don't add value to the final product, he says. Lean six sigma can help identify waste through its systematic way of looking at problem areas such as defects and wait times.

The technical definition of six sigma - sigma refers to standard deviation - is enough to make almost anyone's eyelids droop. In everyday language, it means reducing the number of errors in a process. Lean is more intuitive; it's defined as reducing waste. Lean six sigma refers to the application of both philosophies to create a less wasteful, more streamlined process with fewer errors. Central principles include: defining a problem area, mapping out the current process, measuring inputs and outputs, analyzing the impact of particular steps in the process on output, and experimenting with possible solutions, such as eliminating steps and making sure all participants follow the same steps.

Most organizations implementing lean six sigma focus on training leaders early with the expectation of getting them on board before rolling out a broader initiative. Training levels are usually described through the martial arts belt system, where a black belt signifies seniority.

"This is not a fad that will die out. It's been tried, it's been tested, it's true. If you look at the best-run companies in industry, this is part of the heart and soul that's making them successful," says Mark Price, president of George Group Federal Services, part of Dallas-based George Group Consulting.

Federal agencies are quickly following suit. Retired Air Force Brig. Gen. Stanley A. Sieg, program director at the FAA Logistics Center in Oklahoma City, is in the midst of applying lean six sigma to his center's acquisition process. The approach helped him realize that the current method of passing paper from the acquisition office to technicians to program managers and eventually on to buyers was slow and costly, and the center was making too many purchase requests when it should have been consolidating them.

Sieg says lean six sigma forced him to focus on the process and collecting data about it, instead of just starting on a solution, such as immediately making the process electronic.

"My whole training has been to jump to a solution and then try to implement it," says Sieg. He thinks the technique could save the center about \$3 million a year, or 2 percent

of its annual revenues. "It's very applicable throughout the government, because it applies not only in the blue-collar environment but also to white-collar work to reduce cycle time and the flow of paperwork," says Sieg.

The armed services were among the first to embrace the concept. Janet Hassan, acting chief process officer for Air Force acquisition, says the application of lean six sigma to the purchase of C-17 aircraft reduced the time it took to award a contract to 10 months from 20 months. The Warner Robins Air Logistics Center in Georgia recently won the Shingo Gold Prize for Excellence in Manufacturing, named after a Japanese lean leader, after it used lean principles to reduce repair times for C-5 aircraft to an average of 210 days from 390 days. James F. Brice, director of the Naval Sea Systems Command's lean task force, says lean and six sigma will help NAVSEA save \$116 million this fiscal year. In September, Kenneth Krieg, undersecretary of Defense for acquisition, technology and logistics told the National Defense Industrial Association that he is working to institutionalize lean six sigma across the department.

Lean six sigma is already deeply ingrained in the big defense contractors, including Lockheed Martin Corp., Northrop Grumman Corp. and Raytheon Co. "We approach every problem, every opportunity, every instance we're involved in with the methodologies of Raytheon Six Sigma," says Rusty Patterson, vice president of the Raytheon Six Sigma Institute. Raytheon Six Sigma is the company's own mix of lean, six sigma and other quality improvement methodologies.

In 2000, Lockheed Martin began requiring senior employees above the director level to be trained in lean six sigma. "We're working to get it embedded in every program that we touch," says Michael Joyce, vice president of operating excellence at Lockheed. His company already applies lean six sigma to finance, engineering and human resources. Kraig Scheyer, Northrop Grumman's vice president of administrative services, says the company has documented millions of dollars in cost savings since it adopted the method about four years ago.

Some see the process as so useful that they apply it to their lives outside work. The son of a Raytheon employee credits the method with helping him earn his Eagle Scout award. "It's a big theory of life - it affects you tremendously," says Howard S. Gitlow, co-author of *Six Sigma for Green Belts and Champions* (Prentice Hall, 2004). He says when he applied the systematic way of thinking to a friend's unsuccessful quest for a wife, the friend realized he was repeating the same mistakes in relationships. Lean six sigma taught him to look for a pattern instead of looking at only one example. That friend, says Gitlow, is now happily married with two kids.

Chris Chen, co-author of *The Big Book of Six Sigma Training Games* (McGraw-Hill, 2004), says six sigma's emphasis on data collection helped his Bible study group define spiritual apathy and think about how to measure it, such as how long people pray, or whether they teach Sunday school.

Like any movement, this one faces resistance from employees who don't want to change the way they operate. "Some people simply don't want to think about it hard enough," says Gitlow. Blaise J. Durante, Air Force deputy assistant secretary for acquisition integration quotes 15th century politician Niccolo Machiavelli when asked about employees' resistance to lean six sigma. "You have to get hearts and minds in change mode. Most people are in comfort zones," Durante says. One way to get employees on board is to remind them that efficiency improvements from lean six sigma could prevent

their jobs from being outsourced, he says. To alleviate anxiety, NAVSEA and Lockheed have promised employees that nobody will be eliminated because of lean six sigma projects.

NAVSEA has trained more than 100 black belts. Raytheon has trained more than half its employees in six sigma techniques, and more than 1 percent of Lockheed's 135,000 employees are black belts. "We'd like to see black belts become the next generation of leaders in the company," says Northrop Grumman's Scheyer, who holds a green belt.

October 31, 2005

High-level team to probe interagency contract vehicles

By David Perera

HERSHEY, PA.--The Office of Federal Procurement Policy is creating a working group to address congressional concerns that federal interagency procurement vehicles may offer duplicative services, the office's acting administrator said Monday.

Interagency contracts are an Office of Management and Budget-favored way for agencies to buy products and services because they leverage the spending power of the government to get discounts.

But "Imagine if General Motors ... found they had duplicative [cars]," said OFPP's Robert Burton, speaking Monday at the [Executive Leadership Conference](#). "Of course, sometimes [duplication] is not necessarily bad," he added. "Sometimes it's very bad, especially when we're wasting government resources."

The Executive Leadership Conference is presented by the American Council for Technology and the Industry Advisory Council. Government Executive is a co-sponsor of the event.

The working group will coordinate with and implement the efforts of a congressionally mandated panel created earlier this year under the 2003 Services Acquisition Reform Act, Burton said. The group is scheduled to begin work by the end of 2005.

OFPP should avoid a knee-jerk reaction against duplication in contract vehicles, said Steve Kelman, former head of the office and now a professor at Harvard University. "It's almost like conventional wisdom in government that any time you see duplication or overlap, that's bad," he said. But in the free market, duplication drives competition and lowers prices. "There's duplication between Crest and Colgate on toothpaste....the opposite of duplication is monopoly," Kelman said.

OFPP also is preparing to issue guidance on federal use of share-in-savings contracts, under which agencies and contractors retain savings created by information technology efficiencies. Authorization for the share-in-savings approach, codified in the 2002 E-Government Act, expired Sept. 30.

Rep. Tom Davis, R-Va., introduced legislation in May that would reauthorize the contracts, but the bill still has not cleared the House Government Reform and House Armed Services committees.

"As soon as the authority is extended, we're hoping to issue that guidance," Burton said. Agencies face a host of complicated policy issues in deciding how to spend funds generated under the share-in-savings approach. "Fiscal law considerations come in here, and budget considerations, and they're somewhat complex," Burton said. "That has been one of the reasons why the OMB guidance has been delayed"

Agencies' adoption of share-in-savings contracting has not gone as smoothly as hoped, he acknowledged. They must first determine a baseline cost against which savings can be measured, but data stored in the Federal Procurement Data System is notoriously inaccurate and incomplete. The contracts also require heightened contract management by acquisition officials. OFPP is working to improve acquisition workforce training, according to Burton.

October 27, 2005

Pay Plan Looms Over Defense Department's Workplace Ranking

The Defense Department is not the worst place or the best place to work in government, according to an index released last month. The index pegged Defense at No. 15 out of 30 ranked agencies.

The department scored poorly on pay, benefits and family-friendly policies but better than average in such categories as teamwork and leadership, according to the Partnership for Public Service and American University's Institute for the Study of Public Policy Implementation. Yesterday, Gordon R. England, acting deputy secretary of defense, announced that the Pentagon had wrapped up an ambitious plan he called "a win for our employees." With its plan, he said, the department has a chance to create "a very dynamic and satisfying environment for our employees."

The plan, in the making for 18 months, would dramatically change how 650,000 Defense civil service employees are paid, curb union rights and streamline appeals by employees facing demotions and other severe disciplinary actions.

Members of the American Federation of Government Employees, one of the largest unions at Defense, are skeptical -- and many have been from the first time they heard about the plan.

"The rank and file in Columbus, Ohio, is very scared," said Patty Viers, who represents employees in Defense accounting and supply operations. Ohio employees are worried about possible changes that would determine who goes and who stays during layoffs and about rules that would link pay raises more rigorously to job performance, she said.

Keith Hill, an AFGE member who works at the Tobyhanna Army Depot in Pennsylvania and will soon go to Afghanistan to repair computer equipment, said the Pentagon has not provided employees with compelling reasons of why changes are needed in pay, appeals and union rights. "We fought long and hard to get the protections we have, and they are being stripped away," he said.

Within the next few days, AFGE, joined by a coalition of labor organizations, will be in court seeking to block the Pentagon's plan, contending that the plan undermines collective bargaining. The court battle could be long and may throw Defense off its timetable, which calls for pay and performance management changes to start next year. England said the department formally notified Congress yesterday afternoon that it will file its final regulation today to create the National Security Personnel System. The notification gives Congress 30 days to review the regulation.

The department will launch new labor-management rules after the 30-day period ends, assuming no delays caused by union litigation. Starting in February, the Pentagon will roll out the first phase of its pay-for-performance system. The first phase will cover 65,000 employees, followed by an additional 48,000 in the spring and 120,000 in September and October.

Under the NSPS, the department will have "the opportunity to provide an environment for our people to excel, to be challenged and to be rewarded. . . . I continue to believe that the vast, vast majority of our people will embrace NSPS," England said.

Many of the details on how the NSPS will work and what it means to employees will not be known until the department begins issuing directives to implement the plan. Some of the directives will void parts of labor contracts, further roiling unions.

England said the department will spend the first half of next year in "a learning process" so that employees can adjust "before it really counts."

He added: "If we have problems, we'll stop and adjust. . . . We want the system to work right for everyone."

Public Service Forum

Four key players shaping the future of the civil service will participate in a panel discussion Wednesday that will be moderated by Patricia McGinnis , president of the Council for Excellence in Government.

The council announced that the panel members will be John Gage , president of the American Federation of Government Employees; Clay Johnson III , deputy director for management at the Office of Management and Budget; Colleen M. Kelley , president of the National Treasury Employees Union; and David M. Walker , comptroller general and head of the Government Accountability Office.

October 20, 2005

Contractors Brace For Pentagon's New Austerity

By Jonathan Karp

As the defense industry kicks off what is expected to be a strong earnings season, the mood is hardly celebratory. The reason: Defense contractors are staring down the barrel of what could be one of the toughest Pentagon budget cycles in years.

Defense-industry executives and investors are bracing for a potential body blow as President Bush mulls deep Pentagon-budget cuts to both rein in the federal deficit and offset massive bills from Iraq and the Gulf Coast hurricanes. That has taken some of the glee out of coming earnings reports, such as the one filed yesterday by General Dynamics Corp., which reported a boost in third-quarter profit of 16%.

Down the road, the picture looks gloomier. Pentagon officials say the administration is aiming to trim between \$10 billion and \$15 billion a year in planned defense spending from fiscal 2007 to 2012, slowing the overall rate of Pentagon-spending growth. Given the continuing military operations in Iraq, the Pentagon is scouring weapons programs for possible cuts instead of taking reductions from current-force needs.

Major cuts could be averted by a combination of political pressure from Congress -- always eager to protect local jobs -- and the fact that a war is being waged. That is what happened last year, when a plan for \$30 billion in Pentagon cuts through 2011 was seen as a knee-jerk budget exercise and was partially rolled back by Congress.

Though it is too early to know which military services or defense companies will be most affected by potential cuts, Washington pundits finger warships and fighter jets as most vulnerable. Northrop Grumman Corp., which recently cut its 2005 profit outlook because of hurricane damage to its Gulf shipyards, could get hit again if its next-generation Navy destroyer DDX is put on the chopping block. Lockheed Martin Corp.'s F-35 Joint Strike Fighter, the biggest Pentagon weapons program, and Boeing Co.'s \$125 billion Future Combat Systems ground-forces modernization program are also under scrutiny.

Lockheed, the country's biggest military contractor by sales, saw its stock rise 20% in the first five months of this year. But the share price has slipped back 4% since the end of May as concerns about a budget crunch grew. If the 2007 budget doesn't cut spending on the Joint Strike Fighter as much as investors currently fear, Lockheed could rebound. In 4 p.m. composite trading yesterday on the New York Stock Exchange, Lockheed's shares were up \$1.82, or 3%, at \$62.71, giving the company a market value of about \$27 billion.

General Dynamics' stock has risen nearly 19% this year, and could emerge least wounded from the budget process because it has higher exposure to the Army, which is expected to be more insulated from cuts than the traditionally better-funded Air Force and Navy. In 4 p.m. composite Big Board trading yesterday, General Dynamics's shares were up \$1.14, or 1%, at \$121.06. The company's market capitalization is about \$24 billion.

"Despite what the budget numbers turn out to be, [defense companies] will generate earnings growth above the S&P 500's average in the latter half of this year and into next," says Tim Bei, an aerospace and defense analyst at Baltimore fund manager T. Rowe Price. In addition to being focused on expanding profit margins, he said, defense companies also will benefit into 2007 from supplemental budget funding for the Iraq war, which includes billions of dollars in procurement funds. T. Rowe Price currently owns shares of Lockheed, General Dynamics and Raytheon Co.

Byron Callan, who analyzes defense companies for Prudential Equity Group in New York, said in a report that "defense stocks that have been under pressure recently could see their prices appreciate through the first half of 2006 as investor sentiment shifts toward a more favorable outlook than may now be perceived." Prudential currently has "overweight" ratings for Lockheed, Northrop and Boeing, and sees smaller upside gains for neutrally rated General Dynamics and Raytheon.

So far, there isn't a clear directive on how much to cut. That will come next month when the White House's Office of Management and Budget distributes budget guidance for the fiscal year beginning Oct. 1, 2006. In the meantime, Pentagon planners are busily working through various scenarios in the event that each service -- the Army, Navy and Air Force -- is called on to slash between \$3 billion and \$5 billion in projected annual spending.

To be sure, even with possible cuts, total Pentagon spending and procurement is still expected to rise in the coming five years, but at roughly half the growth rate of the previous five years.

To put the dilemma in perspective, the Pentagon would have to eliminate funding equal to what the DDX destroyer, the Joint Strike Fighter and Future Combat Systems together receive annually to save at least \$10 billion. While that amount is small compared with more than \$400 billion in total Pentagon spending, "taking \$10 billion out of the procurement budget would be substantially disruptive," says Howard Rubel, managing director for equity research at Jeffries & Co. in New York.

Congress is currently deliberating a fiscal 2006 Pentagon budget with around \$80 billion earmarked for weapons acquisition. The Pentagon had planned to increase that to \$91.6 billion for fiscal 2007, but such a large jump is now in doubt. And, the Pentagon was already planning to reduce spending on research and development from fiscal 2006 to 2007.

But, like many analysts who follow the defense industry, Mr. Rubel

doesn't expect draconian cuts to weapons programs at this stage. He points out that the Senate Appropriations Committee has cut President Bush's 2006 defense budget by \$7 billion without notable outcry, in part by recouping money from nonweapons areas that were overfunded the previous year. Still, defense stocks are stuck in a trading range because of uncertainty over the fiscal 2007 budget, Mr. Rubel says, though he sees "some upside for earnings."

Defense contractors are also hedging by positioning themselves for weapons maintenance and refurbishing work, since that part of the budget is certainly growing because of sustained operations in Iraq.

Budget-preparation season is typically a fraught time for defense contractors, but this year is especially tense because it coincides with a once-in-four-years Pentagon strategic review that could reorder the military's priorities. What's more, Pentagon leaders this year have been starker about the need to cut costs

Oct. 20, 2005

Kelman: An open letter to 1102s

Dear 1102*:

These are tough times to be in contracting.

As one career procurement professional recently e-mailed to me: "Those of us involved in Katrina have been talking among ourselves that contracting officers are criticized if they award things quickly for wasting money (fleecing America) and if they try to step back and take a day or two to complete something, they are inflexible bureaucrats who aren't getting help to the public. Who would want to work in that environment?" (Recently, The New York Times had one story criticizing post-Katrina "no-bid" contracts and another criticizing the Small Business Administration for delays in getting out recovery loans.)

Another e-mailed: "Morale continues to be at an all time low, and contracting professionals are frozen in place rather than thinking creatively. I cannot tell you the last time I heard the word 'innovation' used. Now that really scares me."

The relentless focus on "cronyism" and contractor fraud – and on blame and punishment as ways to deal with problems – is having devastating impacts on the ability to have a contracting system oriented to provide the best value for taxpayers and agency missions. This focus is taking one of many issues and turning it into the only issue. It is forcing you to be police, not business advisers. The emphasis on blame and punishment is freezing you in place, and probably making you resentful and angry.

This may be no consolation, but if you're feeling this way and withdrawing into a shell, concerned only to walk through every possible procedural hoop so nobody can sweep down and criticize you, you are reacting as people normally react.

But we need to avoid being victims of our circumstances.

We need to stand up tall as proud human beings – committed to the public good, and to our agencies and missions.

We need, in spite of pressures pushing us in a different direction, to look for ways to do good, rather than simply keeping out of trouble.

There is a scene in the Humphrey Bogart movie “Casablanca” where Victor Laszlo, the anti-Nazi resistance leader, gets up in Rick’s café, in the presence of a group of German officers, and begins singing the French national anthem. Once he has been courageous enough to do so, others stand up and join. The people at Rick’s café stood up to say they wouldn’t let themselves be intimidated.

Everyone has the potential to be a Victor Laszlo. We need to show it now.

So, now is the time to display a random act of innovation. Now is the time to do something in your organization that shows you can use your abilities and skills to figure out a more intelligent way to buy. Get a new strategically sourced contract going. Look for an opportunity to do share-in-savings. Figure out how to make a contract performance-based. Whatever it is, look for a way to help our agencies and taxpayers. They cannot beat us down unless we let them.

Your friend,

Steve Kelman

* “1102” is the job classification for a contract specialist or contracting officer.

Hispanic Companies Among Suppliers of the Year

September 29, 2005

Three Hispanic businesses are among the fifteen winners of the coveted designation of "Regional Supplier of the Year" from the National Minority Supplier Development Council, the NMSDC announced.

The Hispanic-owned companies include The Ideal Group, Mr. Frank Venegas, Jr., chairman and CEO, (design-build construction services, industrial, institutional and residential), Detroit, Michigan; Adorno & Yoss LLP, Mr. Henry Adorno, president (full service law firm), Coral Gables, Florida; and MarkMaster, Inc., Mr. Mark Govin, president (manufacturer of identification, office supply products), Tampa, Florida.

"Successful minority-owned firms meet, and often exceed the most exacting standards of corporate America. A highlight of our national conference, held in Dallas, Texas, this year is the ability to celebrate these high-performing firms that compete for business opportunities based on performance and value," said Ms. Michel.

The fifteen regional winners are divided into four classes according to annual sales and are nominated by their corporate customers. They include Asian, Black, Hispanic and Native American businesses. They are evaluated on the basis of business growth, development and performance, community service and obstacles overcome as a result of heritage or background.

One current regional winner from each of the four classes will be named a National Winner at the NMSDC Conference Awards Banquet on Wednesday, October 26, 2005, at the Dallas Convention Center.

More than 7,000 people are expected October 23-26 for the NMSDC Conference and Business Opportunity Fair at the Dallas Convention Center. The Conference theme is "Minority Businesses and Corporate America: Strengthening the Global Economy Through Diversity."